

**REQUEST FOR  
PROPOSAL FOR ACTUARIAL SERVICES**  
**Response Date: July 14, 2006**  
**by 3 pm (Denver time)**

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The Board of Water Commissioners of the City and County of Denver ("Denver Water") sponsors a defined benefit retirement plan ("Plan") for its employees. A copy of the Plan is attached. The Plan is separate and distinct from the retirement plan for Denver City employees. Denver Water is interested in obtaining actuarial services for its Plan. Such services include an annual actuarial report, annual employee benefit statements and other services as described below. Denver Water generally provides annual census data to the Actuary by February 15 of each year.

Proposals are requested to provide the following services:

1. Prepare an annual actuarial report due before May 15 of each year and attend up to 2 meetings to explain the report and answer any questions about the report.
2. Provide Denver Water a spreadsheet (and annual updates to the spreadsheet) that can be used to calculate the amount of annuity, survivor and lump sum options for most terminating employees. A sample computation is attached, in Excel format.
3. Prepare annual individual employee benefit statements which are to include an estimate of each employee's pension from Denver Water and his or her social security benefit as of a specified date or dates in an envelope ready for mailing. The statements must be received by Denver Water by May 1 of each year. We expect the statement to be comparable to the sample that is attached.
4. Be available for limited telephone consultations without charge throughout the term of the agreement as long as such consultations do not exceed one hour per month.
5. Perform an experience study during 2007, and facilitate decision making on any needed changes to the actuarial assumptions used by the Plan.
6. Provide additional assistance as needed, including more complex benefit calculations, on a time and materials basis.
7. As requested, participate in a total review of the retirement program which includes 401(k) and 457 plans in addition to the Plan. This will involve consultation with staff members, human resource consultant and legal counsel concerning potential design changes. Actuary will be expected to assist in a

review of funding policy, provide information about what other employers are doing and perform financial modeling of potential design changes.

If you are interested in providing these services to the Board, please submit, three (3) printed copies and one electronic copy, in PDF format on a CD, of your proposal by the date and time listed above. Please mark the proposal for the attention of Kathryn M. Kempke, Manager of Treasury Operations.

At a minimum, please include the following in your proposal:

1. What kind of data and how many years of data will you need in order to prepare the actuarial report and the employee benefit statements?
2. If you receive the data by February 15, what is the earliest date to which you are willing to commit for delivery of the actuarial report; what is the date for the benefit statements?
3. What is the latest date you could receive this data and still provide the reports by the requested dates? If the requested dates cannot be met, what would the time frame need to be?
4. Please identify and provide educational and employment history on the individuals who would be providing the desired services.
5. Please describe your firm's technical abilities to provide the desired services.
6. Please describe your firm's experience with other local and governmental employers.
7. Describe your overall organization. Please include a description of management and ownership structures.
8. Please include a "not to exceed" price and payment terms for the actuarial report, the experience study, the calculations in spreadsheet format with annual updates, and benefit statements. (List each separately, please.) Also, include billing rates and terms for any additional work. Assume a 5 year contract.
9. Please provide a list of references whom we may contact.
10. Please disclose potential conflicts of interest, if any, which may arise while providing this service.
11. Please disclose whether you will use any sub-contractors to perform any of the services in this proposal. If so, please identify the sub-contractor.

## **TERMS AND CONDITIONS**

- A. Denver Water reserves the right to reject any and all proposals.
- B. Denver Water reserves the right to request clarification of information submitted and to request additional information from one or more applicants.
- C. The initial term of the contract shall be for a period of five years; however Denver Water shall have the right to terminate the contract at any time by specifying the date of termination in a written notice to the firm at least thirty (30) working days before the termination date. In this event, the firm shall be entitled to just and equitable compensation for any satisfactorily completed work.
- D. No agreement or contract will result from this process until approved by Denver Water.
- E. No reports, information, or data concerning Denver Water or its operations given to the firm during the proposal process shall be made available by the firm to any individual or organization outside the firm without prior written consent of Denver Water.

## **ADDITIONAL INFORMATION:**

For questions about this Request for Proposal please send an e-mail request to Kathryn Kempke at [kathryn.kempke@denverwater.org](mailto:kathryn.kempke@denverwater.org).